



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

Jill Holtzman Vogel, Esq.
Holtzman Vogel PLLC
49 Culpeper Street
Warrenton, VA 20186

MAY 30 2006

RE: MUR 5669
Frist 2000, Inc.

Dear Ms. Vogel:

On May 16, 2006, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(b)(2)(G) and (H) and 434(b)(5)(D), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Audra L. Wassom".

Audra L. Wassom
Attorney

Enclosure
Conciliation Agreement

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COMMISSION
OFFICE OF GENERAL
COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

2006 APR 11 P 4: 48
MUR 5669

Frist 2000, Inc.; and
Dawn Perkerson, in her official
capacity as Treasurer.

CONCILIATION AGREEMENT

This matter was initiated by a complaint filed with the Federal Election Commission ("the Commission") by Citizens for Responsibility and Ethics in Washington. The Commission found reason to believe that Frist 2000, Inc. and Dawn Perkerson, in her official capacity as Treasurer ("Respondents") violated 2 U.S.C. §§ 434(b)(2)(G) and (H) and 434(b)(5)(D).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

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Background

1. Frist 2000, Inc. was the principal campaign committee of Senator William H. Frist in his campaign for reelection as a U.S. Senator from Tennessee in 2000.

2. Dawn Perkerson is the Treasurer of Frist 2000, Inc.

3. Bill Frist for Senate, Inc. was the principal campaign committee of William H. Frist in his campaign for a U.S. Senate seat from Tennessee in 1994.

Law

2 U.S.C. § 434(b)(2)(G) and (H) requires principal campaign committees to report "loans made by or guaranteed by the candidate" and "all other loans."

2 U.S.C. §§ 434(b)(4)(D) and (E); 434(b)(5)(D) requires principal campaign committees to report the "total amount of all disbursements" including disbursements by an authorized committee "for the repayment of loans made by or guaranteed by the candidate" and "all other loans" and the "name and address" of any "person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment."

Factual Background

1. On November 24, 2000, Bill Frist for Senate, Inc. and Frist 2000, Inc. took out a loan for \$1.44 million from First Union bank.

2. Senator William H. Frist signed the loan documents on behalf of both committees.

3. Bill Frist for Senate, Inc. reported the loan on its 2000 Year-End Report as a \$1.44 million loan made by Firststar. Schedule C of the report listed Frist 2000, Inc. as an

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1 endorser or guarantor of the loan. Schedule C-1 of the report listed both Frist 2000, Inc. and
2 Senator William H. Frist as other parties secondarily liable for the debt. Notwithstanding the
3 entry on his Committee's Schedule C-1, Senator Frist represents that he did not personally
4 guarantee this loan.

5 4. Frist 2000, Inc. did not report the loan on its 2000 Year-End Report.

6 5. As co-borrowers, both Bill Frist for Senate and Frist 2000, Inc. had an
7 obligation to report the loan on their 2000 Year-End Reports and could have made a notation on
8 each report to the effect that both Committees were reporting the same loan. Respondents
9 contend that they had a good faith belief that having both committees report the loan would have
10 been duplicative and potentially misleading.

11 6. On July 30, 2001, Bill Frist for Senate, Inc. filed its 2001 Mid-
12 Year/Termination Report. In that report, the committee reported five interest payments to Firstar
13 and indicated by a handwritten note on the Schedule C that the \$1.44 million loan was transferred
14 to Frist 2000, Inc.

15 7. On July 31, 2001, Frist 2000, Inc. filed its original 2001 Mid-Year Report
16 on which it reported for the first time the \$1.44 million loan on Schedules C and C-1. This report
17 also listed Senator William H. Frist as secondarily liable for the loan. Notwithstanding the entry
18 on his Committee's Schedule C-1, Senator Frist represents that he did not personally guarantee
19 this loan. The committee also reported a repayment of a "loan made or guaranteed by the
20 candidate" on the detailed summary pages of the report but did not include a Schedule B
21 (Disbursements) to support the repayment. The committee subsequently filed two amendments
22 to its 2001 Mid-Year Report. The first amendment, filed on January 26, 2004, included a

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1 Schedule B showing a payment on June 26, 2001 to "First Star Corporation" in the amount of
2 \$1.44 million for "Payment of debt/obligation. The second amendment, filed on July 15, 2004,
3 included a Schedule B showing a payment on June 26, 2001 to "US Bank Corp" in the amount of
4 \$1.46 million for "Payment of debt/obligation." ("Firststar" and "USBancorp" merged in February
5 of 2001.) Neither of the amended reports included a Schedule C or C-1.

6 V. Respondents violated 2 U.S.C. §§ 434(b)(2)(G) and (H) and 434(b)(5)(D) by
7 failing to report the \$1.44 million loan on their 2000 Year-End Report and by failing to properly
8 report the repayment of that loan on the 2001 Mid-Year Report.

9 VI. Respondents will pay a civil penalty of eleven thousand dollars (\$11,000)
10 pursuant to 2 U.S.C. § 437g(a)(5)(A). Respondents will cease and desist from violating 2 U.S.C.
11 §§ 434(b)(2)(G) and (H) and 434(b)(5)(D).

12 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
13 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
14 with this agreement. If the Commission believes that this agreement or any requirement thereof
15 has been violated, it may institute a civil action for relief in the United States District Court for
16 the District of Columbia.

17 VIII. This agreement shall become effective as of the date that all parties hereto have
18 executed same and the Commission has approved the entire agreement.

19 IX. Respondents shall have no more than 30 days from the date this agreement
20 becomes effective to comply with and implement the requirements contained in this agreement
21 and to so notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

Date

5/26/06

BY:

Rhonda J. Vosdingh
Rhonda J. Vosdingh
Associate General Counsel

FOR THE RESPONDENTS:

Date

April 7, 2006

Dawn Perkerson for Dawn Perkerson
Frist 2000, Inc.; and
Dawn Perkerson, in her official
capacity as Treasurer.

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